

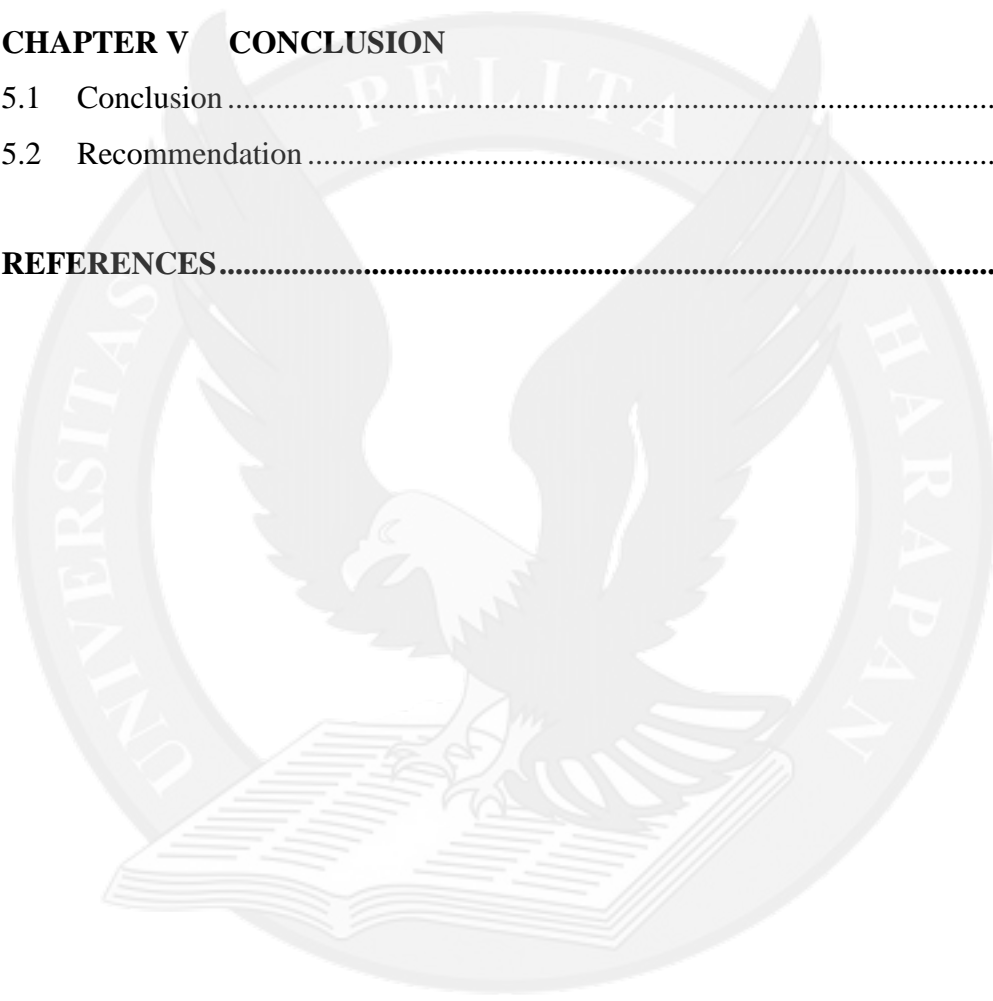
# TABLE OF CONTENTS

	page
<b>COVER PAGE</b>	
<b>TITLE PAGE</b>	
<b>DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT.....</b>	<b>ii</b>
<b>APPROVAL PAGE BY FINAL PAPER ADVISOR .....</b>	<b>iv</b>
<b>APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE .....</b>	<b>v</b>
<b>ABSTRACT .....</b>	<b>vi</b>
<b>ABSTRAK .....</b>	<b>vii</b>
<b>PREFACE.....</b>	<b>viii</b>
<b>TABLE OF CONTENTS.....</b>	<b>ix</b>
<b>LIST OF FIGURES .....</b>	<b>xiii</b>
<b>LIST OF TABLES .....</b>	<b>xiv</b>
<b>LIST OF APPENDICES .....</b>	<b>xix</b>
<b>CHAPTER I INTRODUCTION</b>	
1.1 Background of the Study .....	1
1.2 Problem Limitation.....	8
1.3 Problem Formulation .....	9
1.4 Objective of The Research.....	9
1.5 Benefit of The Research .....	10
1.5.1 Theoretical Benefit .....	10
1.5.2 Practical Benefit.....	10
<b>CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT</b>	
2.1 Theoretical Background.....	12
2.1.1 Hospitality Management .....	12
2.1.2 Hospitality Industry .....	13

2.1.3	Location .....	17
2.1.3.1	Definition of Location.....	18
2.1.3.2	Selections of Location.....	19
2.1.3.3	Indicators of Location .....	20
2.1.4	Product Design .....	21
2.1.4.1	Definition of Product Design .....	21
2.1.4.2	Factors of Product Design.....	22
2.1.4.3	Indicators of Product Design.....	23
2.1.5	Quality of Service .....	23
2.1.5.1	Definition of Quality of Service.....	24
2.1.5.2	Perceptions of Quality of Service .....	24
2.1.5.3	Indicators of Quality of Service .....	26
2.1.6	Customer Loyalty.....	27
2.1.6.1	Definition of Customer Loyalty .....	28
2.1.6.2	Factorss of Customer Loyalty .....	28
2.1.6.3	Indicators of Customer Loyalty .....	29
2.1.7	The Effect of Location on Customer Loyalty .....	30
2.1.8	The Effect of Product Design on Customer Loyalty.....	31
2.1.9	The Effect of Quality of Service on Customer Loyalty .....	31
2.1.10	The Effect of Location, Product Design, and Quality of Service on Customer Loyalty.....	32
2.2	Previous Research.....	32
2.3	Hypothesis Development.....	35
2.4	Research Model .....	36
2.5	Framework of Thinking.....	37
 <b>CHAPTER III RESEARCH METHODOLOGY</b>		
3.1	Research Design .....	38
3.2	Population and Sample .....	39

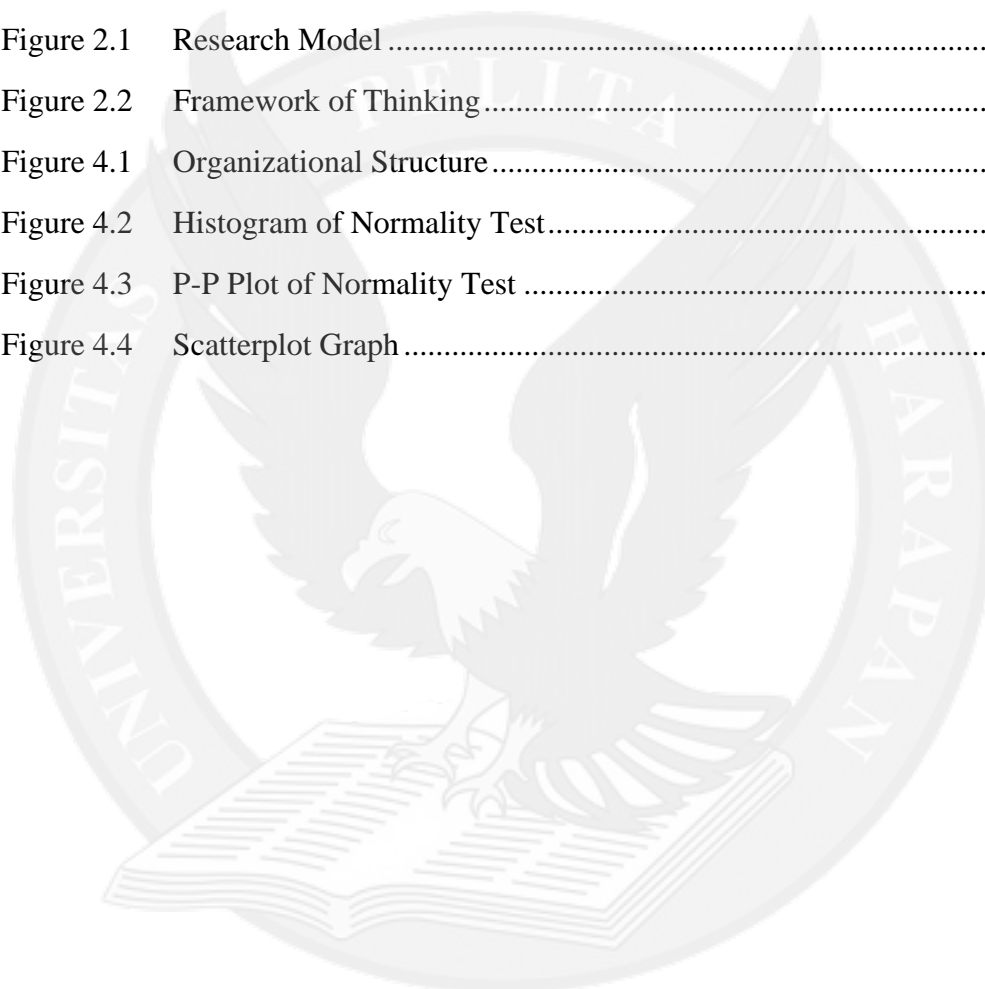
3.3	Data Collection Method.....	40
3.4	Operational Variable Definition and Variable Measurement.....	42
3.4.1	Operational Definition .....	42
3.4.2	Variable Measurement .....	45
3.5	Data Analysis Method .....	45
3.5.1	Test of Research Instrument .....	46
3.5.2	Descriptive Statistics .....	48
3.5.3	Classical Assumption Test .....	51
3.5.4	Multiple Linear Regression Analysis .....	53
3.5.5	Hypothesis Test .....	54
<b>CHAPTER IV RESEARCH RESULT AND DISCUSSION</b>		
4.1	General View Of Madam Souvenir, Medan .....	56
4.1.1	Brief Overview .....	56
4.1.2	Vision and Mission .....	57
4.1.3	Organizational Structure .....	57
4.2	Research Result .....	59
4.2.1	Test of Research Instrument .....	59
4.2.1.1	Validity Test.....	59
4.2.1.2	Reliability Test.....	62
4.2.2	Descriptive Statistics.....	62
4.2.2.1	Characteristics of Respondents .....	63
4.2.2.2	Explanation of Respondents on Research Variables.....	64
4.2.2.3	Mean, Median, Mode, Standard Deviation and Variance..	86
4.2.3	Classical Assumption Test.....	98
4.2.3.1	Normality Test .....	98
4.2.3.2	Multicollinearity Test.....	100
4.2.3.3	Heteroscedasticity Test .....	101
4.2.3.4	Multiple Linear Regression Analysis.....	103

4.2.4 Hypothesis Test.....	105
4.2.4.1 T-test .....	105
4.2.4.2 F-test.....	106
4.2.4.3 Coefficient of Determination .....	107
4.3 Discussion.....	108
<b>CHAPTER V CONCLUSION</b>	
5.1 Conclusion .....	112
5.2 Recommendation .....	113
<b>REFERENCES.....</b>	<b>115</b>



## LIST OF FIGURES

	page
Figure 1.1 Location of Madam Souvenir .....	4
Figure 1.2 Product Design of Madam Souvenir.....	6
Figure 1.3 Quality of Service of Madam Souvenir .....	7
Figure 2.1 Research Model .....	36
Figure 2.2 Framework of Thinking.....	37
Figure 4.1 Organizational Structure.....	57
Figure 4.2 Histogram of Normality Test.....	99
Figure 4.3 P-P Plot of Normality Test .....	100
Figure 4.4 Scatterplot Graph.....	102



## LIST OF TABLES

	page
Table 1.1	Number of Transactions per Year.....3
Table 1.2	Preliminary Study: Location.....4
Table 1.3	Preliminary Study: Product Design .....5
Table 1.4	Preliminary Study: Quality of Service.....6
Table 1.5	Member of Customer at Madam Souvenir, Medan .....8
Table 3.1	Operational Variable – Location (X1) .....43
Table 3.2	Operational Variable – Product Design (X2) .....43
Table 3.3	Operational Variable – Quality of Service (X3).....44
Table 3.4	Operational Variable – Customer Loyalty (Y) .....44
Table 3.5	Likert Scale 5-point Answer and Score .....45
Table 4.1	Validity Test of Location (X1) .....60
Table 4.2	Validity Test of Product Design (X2).....60
Table 4.3	Validity Test of Quality of Service (X3) .....61
Table 4.1	Validity Test of Customer Loyalty (Y).....61
Table 4.5	Reliability Test of Location (X1), Product Design (X2), Quality of Service (X3), and Customer Loyalty (Y).....62
Table 4.6	Respondents Gender .....63
Table 4.7	Respondents Age .....63
Table 4.8	Respondents Education.....64
Table 4.9	Variable X1-Q1 “Madam Souvenir is easy to reach” .....65
Table 4.10	Variable X1-Q2 “I frequently pass by the location Madam Souvenir .....65
Table 4.11	Variable X1-Q3 “I can easily see the location of Madam Souvenir from a distance” .....66
Table 4.12	Variable X1-Q4 “Madam Souvenir’s location is easy to spot by those who pass by” .....66

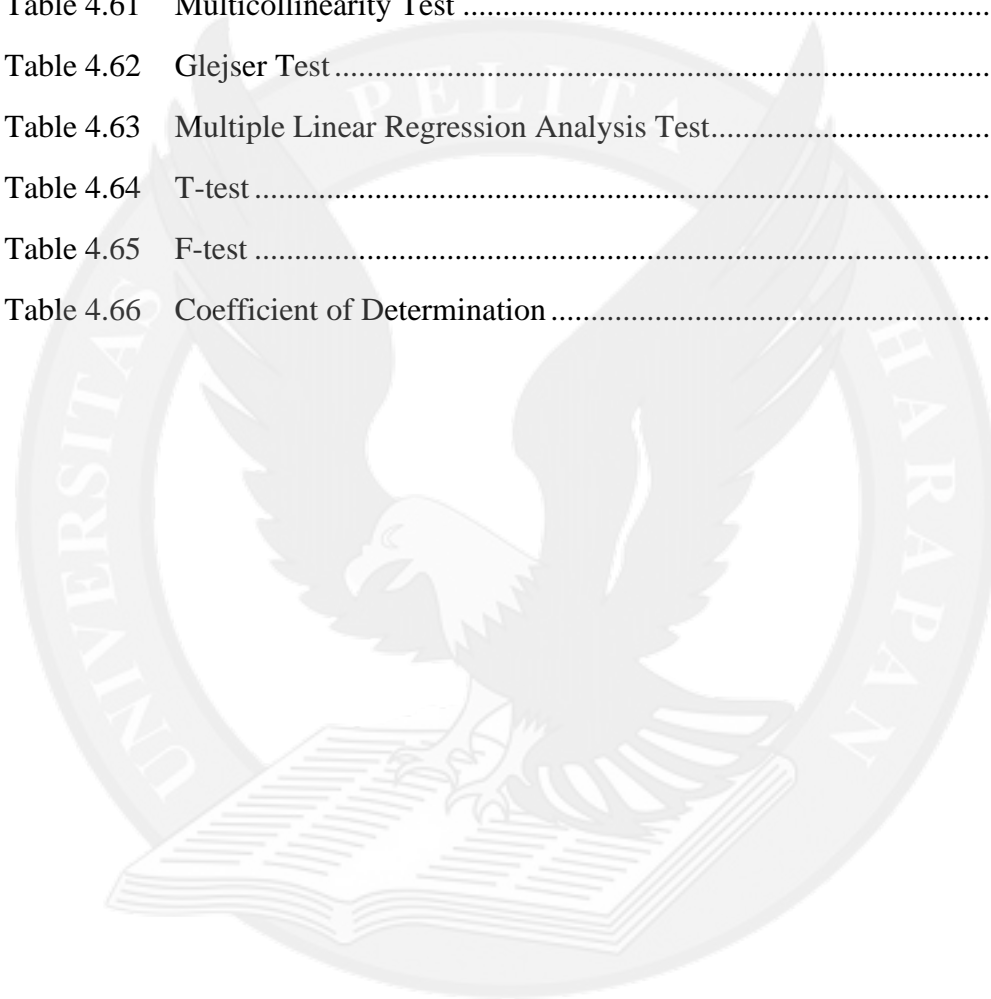
Table 4.13	Variable X1-Q5 “There is a normal traffic flow on my way to Madam Souvenir” .....	67
Table 4.14	Variable X1-Q6 “The ways to Madam Souvenir have relatively good traffic” .....	68
Table 4.15	Variable X1-Q7 “Madam Souvenir is located in area that is conducive for any visitors” .....	68
Table 4.16	Variable X1-Q8 “I feel safe to visit the area where Madam Souvenir is located” .....	69
Table 4.17	Variable X2-Q1 “I feel delighted with how Madam Souvenir display their products” .....	69
Table 4.18	Variable X2-Q2 “The products displayed at Madam Souvenir has good model” .....	70
Table 4.19	Variable X2-Q3 “Madam Souvenir has an interesting design for products” .....	71
Table 4.20	Variable X2-Q4 “Madam Souvenir always has the products designed uniquely” .....	71
Table 4.21	Variable X2-Q5 “The products offered at Madam Souvenir has multiple designs” .....	72
Table 4.22	Variable X2-Q6 “There are many designs of products for customers to choose from at Madam Souvenir” .....	72
Table 4.23	Variable X2-Q7 “Madam Souvenir always updates its product design” .....	73
Table 4.24	Variable X2-Q8 “Madam Souvenir always has new design of products offered to customers” .....	74
Table 4.25	Variable X3-Q1 “Madam Souvenir’s employees are always well uniformed” .....	75
Table 4.26	Variable X3-Q2 “There is adequate waiting area for customers at Madam Souvenir” .....	75

Table 4.27	Variable X3-Q3 “Madam Souvenir has consistently good service for customers” .....	76
Table 4.28	Variable X3-Q4 “Madam Souvenir is always good in fulfilling customer’s requests” .....	76
Table 4.29	Variable X3-Q5 “Madam Souvenir’s employees are quick in serving customers” .....	77
Table 4.30	Variable X3-Q6 “Madam Souvenir’s employees are always stand by to take any order or requests from customers” .....	77
Table 4.31	Variable X3-Q7 “I am certain that Madam Souvenir’s employees can always deliver my requests” .....	78
Table 4.32	Variable X3-Q8 “I feel secured in buying Madam Souvenir’s products” .....	79
Table 4.33	Variable X3-Q9 “Madam Souvenir is willing to compromise for meeting customers’ requests” .....	79
Table 4.34	Variable X3-Q10 “The employees of Madam Souvenir are willing to help addressing customers’ concern upon making transactions” ....	80
Table 4.35	Variable Y-Q1 “I would surely revisit and purchase from Madam Souvenir again in frequent basis” .....	81
Table 4.36	Variable Y-Q2 “I would regularly purchase again from Madam Souvenir” .....	81
Table 4.37	Variable Y-Q3 “I would love to try any varieties of products offered by Madam Souvenir” .....	82
Table 4.38	Variable Y-Q4 “I would surely buy any new products offered by Madam Souvenir” .....	83
Table 4.39	Variable Y-Q5 “I would recommend Madam Souvenir to my relatives and colleagues” .....	83
Table 4.40	Variable Y-Q6 “I will surely suggest anybody to visit and purchase from Madam Souvenir” .....	84



Table 4.41	Variable Y-Q7 “Madam Souvenir would be the only place I would purchase from” .....	84
Table 4.42	Variable Y-Q8 “I would always prefer Madam Souvenir to other similar vendors who have similar offerings” .....	85
Table 4.43	Mean, Median, Mode, Standard Deviation, Variance for Location (X1).....	86
Table 4.44	The Interval Class for Location (X1).....	87
Table 4.45	Total Mean, Median, Mode, Standard Deviation, Variance for Location Variable (X1).....	88
Table 4.46	Mean, Median, Mode, Standard Deviation, Variance for Product Design (X2).....	89
Table 4.47	The Interval Class for Product Design (X2) .....	90
Table 4.48	Total Mean, Median, Mode, Standard Deviation, Variance for Product Design (X2) .....	90
Table 4.49	Mean, Median, Mode, Standard Deviation, Variance for Quality of Service (X3).....	91
Table 4.50	The Interval Class for Quality of Service (X3).....	93
Table 4.51	Total Mean, Median, Mode, Standard Deviation, Variance for Quality of Service (X3).....	93
Table 4.52	Mean, Median, Mode, Standard Deviation, Variance for Customer Loyalty (Y) .....	94
Table 4.53	The Interval Class for Customer Loyalty (Y).....	95
Table 4.54	Total Mean, Median, Mode, Standard Deviation, Variance for Customer Loyalty (Y).....	96
Table 4.55	Interval Class for Likert Scale .....	97

Table 4.56	Interval Class per Question for Location (X1) .....	97
Table 4.57	Interval Class per Question for Product Design (X2).....	97
Table 4.58	Interval Class per Question for Quality of Service (X3) .....	98
Table 4.59	Interval Class per Question for Customer Loyalty (Y).....	98
Table 4.60	Normality Test One-Sample Kolmogorov-Smirnov Test.....	99
Table 4.61	Multicollinearity Test .....	101
Table 4.62	Glejser Test .....	103
Table 4.63	Multiple Linear Regression Analysis Test.....	104
Table 4.64	T-test .....	105
Table 4.65	F-test .....	107
Table 4.66	Coefficient of Determination .....	108



## LIST OF APPENDICES

Appendix A: Research Questionnaire .....	A-1
Appendix B: Main Data Tabulation .....	B-1
Appendix C: SPSS Output .....	C-1
Appendix D: Company Letter .....	D-1
Appendix E: Turnitin Result .....	E-1

